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April 23, 2015

VIA E-MAIL AND FIRST CLASS MAIL

Henry Guzman
Assistant Regional Counsel
Office of Regional Counsel
USEPA Region 2
290 Broadway, 17th Floor
New York, NY 10007

Re: *Wallace Silversmiths de Puerto Rico, Ltd.*
Calle B, Retiro Industrial Park, San German, Puerto Rico
Our File No.: 04693.74679

Dear Mr. Guzman:

Thank you again for arranging the meeting on April 8, 2015. As you are aware, this meeting provided my clients, Lifetime Brands, Inc. and Wallace Silversmiths de Puerto Rico, Ltd. ("WSPR"), the first opportunity to hear the United States Environmental Protection Agency ("USEPA") concerns with respect to the recently released January 2014 vapor intrusion data. As promised during the meeting my clients have taken immediate steps to meet with the Puerto Rico Industrial Development Company ("PRIDCO") with respect to addressing the sub-slab soil gas and indoor air sampling concerns, raised by the USEPA, at the referenced facility located on Lots 2 and 3 on Calle B in Retiro Industrial Park. Two meetings between WSPR and PRIDCO have already taken place and the parties are continuing to work out the details to find and implement a solution to the vapor intrusion issues.

All information provided herewith is shared with the USEPA in furtherance of addressing the issues identified and our shared concerns with the health and welfare of the WSPR employees and is provided without admission of the fault or liability of Lifetime Brands or WSPR with respect to the underlying site conditions. Furthermore, the following information has been prepared to supplement information previously supplied by Lifetime Brands, Inc. and WSPR, in response to the 2008 USEPA Notice of Potential Liability and Request for Information Pursuant to 42 U.S.C. Sections 9607(a) and 9604(e) of CERCLA, Regarding the San German Groundwater Contamination Superfund Site, San German, Puerto Rico, or to provide new information for review and use by the USEPA with respect to identification of potentially responsible parties.

The information below provides detail regarding site history, operations and certain site conditions. As we discussed on April 8th, the USEPA and its contractors have prepared various reports and documents

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including, but not limited to, the NPL Hazardous Ranking System Package for the San German Site and the CDM Federal Programs Corporation Final Work Plan for the San German Groundwater Contamination Site Remedial Investigation/Feasibility Study dated May 19, 2010. Each of the documents we have reviewed includes information regarding the Wallace facility site history and operations in the Calle B Retiro Industrial Park ("Calle B property") that is incomplete or inaccurate. As we noted, it is important that reports issued by the USEPA are factually accurate. To assist the USEPA with regard to the issuance of future reports, I have attached pages 2-7 through 2-9 of the referenced CDM report marked up to supplement and correct certain factual information including the operators and the use of chlorinated compounds¹.

Information Regarding Site History/Operations & Conditions

As you already know, PRIDCO is the owner of the Calle B property and many, if not all, of the real properties on Calles A, B, and C in the Retiro Industrial Park (See the two attached historical location plans). It is our understanding that the two buildings on Lots 2 and 3 that would eventually be occupied by our client, WSPR, were constructed by PRIDCO at some time in 1956. **PRIDCO has been the owner of the buildings from 1956 to date.** Please note that my clients are continuing to follow up with PRIDCO to obtain the complete occupancy/operation history of the two buildings currently occupied by WSPR.

Operation of the Property

With regard to the two buildings currently occupied by WSPR the occupancy/operational history since 1972 is as follows:

- 1) International Silver de P.R., Inc. (ISPR), (subsidiary of Insilco Corporation). From approximately 1972 to October 21, 1983, ISPR, as a subsidiary of Insilco, occupied and operated at the property;
- 2) Wallace International de P.R., Inc. (a Delaware corporation and subsidiary of Katy Industries, Inc.). From approximately October 21, 1983 to October 23, 1986, Wallace International de P.R., Inc., as a subsidiary of Katy Industries, Inc., occupied and operated at the property;
- 3) Wallace International de P.R., Inc. (a Delaware corporation and subsidiary of Syratech Corporation). From October 23, 1986 to April 27, 2006, Wallace International de P.R., Inc., as a subsidiary of Syratech Corporation, occupied and operated at the property; and
- 4) WSPR (an exempted company incorporated in Cayman Islands and subsidiary of Lifetime). From April 27, 2006 to the present, our client, WSPR occupies and operates at the property.

¹ During our review of the RI Work Plan shortly after delivery to us in May 2014, we noted incomplete information with respect to data indicating potential degreasing solvent usage at the Hewlett Packard (HP)/PCB Horizon Facility. Groundwater testing data presented in Appendix A of the RI Work Plan reveals low levels of tetrachloroethene (a.k.a. perchloroethylene or "PCE") and 1-1-1 trichloroethane; however, there is no mention of these substances in the main body of the report.

Corporate Ownership of Occupants

From approximately 1972 to October 21, 1983, ISPR, as a subsidiary of Insilco Corporation, occupied and operated at the property in question. To our knowledge, Insilco Corporation remains a viable entity with contact information as follows:

Insilco Corporation
425 Metro Place North, Fifth Floor
Dublin, Ohio
Tel: 614-792-0468
Fax: 614-791-3197

From approximately October 21, 1983 to October 23, 1986, Wallace International de P.R., Inc., as a subsidiary of Katy Industries, Inc., occupied and operated at the property in question. To our knowledge, Katy remains a viable entity with contact information as follows:

Katy Industries, Inc.	or	Katy Industries, Inc.
305 Rock Industrial Park Drive		6300 South Syracuse Way
Bridgeton, MO 63044		Englewood, CO 80111
Tel: 314-656-4321		
Fax: 314-656-4398		
www.katyindustries.com		

In September 1986, Syratech Corporation purchased the stock, assets, properties (including manufacturing facilities in Puerto Rico), rights, business and goodwill of Wallace International Silversmiths, Inc. and its subsidiaries (a leading manufacturer of non-institutional flatware) from Katy Industries, Inc.

Syratech Corporation held three subsidiaries that were incorporated in Delaware, but operated in Puerto Rico. Syratech Corporation's three subsidiaries that operated in Puerto Rico were: 1) Wallace International de P.R., Inc., 2) PMW Silver de P.R., Inc., and 3) International Silver de P.R., Inc.

In December 2003, Syratech Corporation merged its International Silver de P.R., Inc. and PMW Silver de P.R., Inc. subsidiaries, with and into its Wallace International de P.R., Inc. subsidiary. In addition, Syratech Corporation also held several other subsidiaries, including a Wallace International Silversmiths, Inc. subsidiary, which was a Delaware corporation operating out of East Boston, Massachusetts, and which merged with and into Syratech Corporation in March 2004.

The last known contact information for Syratech Corporation, the parent of the prior occupant of the property, Wallace International P.R., Inc., is:

Walter Jones, President
Syratech Corporation
c/o J.H. Cohn LLP
Business Investigation Services
333 Thornall Street 6th Floor
Edison, NJ 08837
Tel: 732-590-3962
Fax: 732-590-3940
Mobile: 908-377-5104
wjones@JHCohn.com

Corporate History of the Current Occupant

Our client, WSPR, is the current occupant of the Calle B property. On April 27, 2006, Lifetime Brands, Inc. ("Lifetime"), through its newly-formed wholly-owned subsidiary, Syratech Acquisition Corporation, a Delaware corporation, acquired certain assets of Wallace International de P.R., Inc., a subsidiary of Syratech Corporation. However, it is important to note that our client, **WSPR, is not currently, nor has it ever been, affiliated with the prior occupant, Wallace International de P.R., Inc.** Therefore, Lifetime through its newly-formed, wholly-owned subsidiary, Syratech Acquisition Corporation, a Delaware corporation, acquired certain assets and the related business, but did not acquire the stock, of Syratech Corporation and its Wallace International de P.R., Inc., CHI International, Inc. and Syratech (H.K.) Limited subsidiaries (hereinafter "Asset Purchase"). In this Asset Purchase, Syratech Acquisition Company did not assume any of the liabilities, including environmental liabilities, of Syratech Corporation. Syratech Acquisition Company was, and remains, separate and distinct from Syratech Corporation.

On April 18, 2006, Lifetime formed a wholly-owned subsidiary, WSPR, an exempted company incorporated in the Cayman Islands, for the purposes of operating the business operations and assets that Lifetime and Syratech Acquisition Corporation acquired in Puerto Rico in the Asset Purchase from Syratech Corporation and its subsidiary, Wallace International de P.R., Inc.

Prior to April 27, 2006, Wallace International de P.R., Inc., a Delaware corporation, was the occupant of the Calle B property. Following the April 27, 2006 Asset Purchase, WSPR became the occupant of the Calle B property. Top management was changed at the facility prior to the acquisition of Wallace assets by Lifetime Brands. WSPR remains the current occupant of the Calle B property. WSPR was not an occupant of the Calle B property and did not conduct operations at the Calle B property prior to April 27, 2006.

Lifetime, Syratech Acquisition Corporation, or WSPR does not have, and never had, any equity or ownership interest in Syratech Corporation or any of its subsidiaries, including, but not limited to, Wallace International de P.R., Inc. or International Silver de P.R., Inc. Further, pursuant to the April 27, 2006 Asset Purchase, Syratech Acquisition Company did not assume the corporate legal entity, Wallace International de P.R., Inc., or any liability related thereto.

WSPR, Syratech Acquisition Corporation, and Lifetime are not now, and never have been, affiliated with any of the prior occupants of the property, including, but not limited to, Syratech Corporation, Wallace International de P.R., Inc., or Wallace International Silversmiths, Inc. No corporate or ownership relationship exists or has ever existed between these entities.

Site Operations Resulting in Site Conditions

Our investigation shows that sterling silverware has been manufactured at the subject site from the time when ISPR commenced operations in 1972. Degreasing was an integral part of the process. ISPR used perchloroethylene (PCE) in the degreasing operations the entire time it was at the site (1972-1983). Wallace International de P.R., Inc., subsidiary to Katy Industries, Inc., likewise used PCE in the degreasing operations the entire time it was at the site (1983-1986). Wallace International de P.R., Inc., subsidiary to Syratech Corporation, also used PCE in its degreasing operations from 1986 through 1991 and possibly thereafter. WSPR never used PCE and, as noted below, only used trichloroethylene (TCE) for two years (from May 2006 through May 2008), at which time it changed its processes and eliminated all use of chlorinated solvents.

Chlorinated solvents, specifically PCE and cis-1,2 dichloroethylene (DCE), were detected in public drinking water supply wells (the Lola I, Lola II, and Retiro wells) in 2001. WSPR did not commence operations at the site until 2006, five years after the solvents were identified in the public supply wells. Those same solvents and an additional solvent, TCE, were identified in the Lola I well in June 2006. The supply wells are located approximately 3,000 feet northwest of the Calle B site. Under no scenario can any of these detections be attributed to the operations of WSPR which began in late April/early May 2006.

All of the subsurface contamination issues at the property occupied by our client are the result of operations prior to April 27, 2006. Simply stated, there is no information, record or evidence of any loss or discharge of TCE from the date of the April 2006 asset purchase through the discontinuance of TCE on or about May 2008. From 2007 to 2008, Weston Solutions, on behalf of the USEPA, performed site investigation activities at the leasehold property. Chlorinated solvents, including PCE, TCE, and associated breakdown products, were identified in the soil and/or groundwater at the leasehold property. The presence of breakdown products in soil samples collected by Weston in January 2007, less than one year after WSPR took occupancy, indicates that the discharge of parent products into the soil occurred well before WSPR took occupancy.

Remedial Actions/Good Housekeeping Activities

Upon the April 27, 2006 asset acquisition, WSPR initiated significant changes in the plant and its operations in order to ensure good housekeeping practices throughout the plant, minimize the risk of any release of hazardous waste to the environment, ensure the proper handling, control, short-term storage and removal of hazardous wastes, evaluate and make hazardous waste determinations to support proper disposal, and to control, store and properly dispose of used petroleum products. We can provide further detail on the extensive measures taken by WSPR if you think it would be useful to the USEPA's evaluation. None of these measures were in place prior to the April 2006 acquisition. The bottom line is that WSPR took significant steps

to improve the facility's waste management policies to ensure compliance with applicable environmental laws and regulations, and to protect the health and safety of its employees and the environment. Likewise, and to the extent WSPR determines it will maintain its operation in the Calle B property, measures to address the potential for exposure to vapor intrusion issues will be implemented.

Conclusion

At your earliest convenience, we would like to schedule a follow-up meeting with you to discuss the foregoing information and the pending issues at the Calle B property.

Very truly yours,



Thomas Spiesman

TS:sj

Enclosures

cc: Sara Shindel, Esq.
Mr. Dave Fitzgerald, Sr. VP, Operations
Mr. Ramon Perez, General Manager
Pedro J. Nieves Miranda, Esq.

Garaje Rodriguez was recommended for further assessment based on the facility's use of solvents and paints for over 45 years and the fact that it is situated directly upgradient of the contaminated San German Urbano wells. To date, no additional investigations under CERCLA have been performed. This facility is identified as a PSA at which CDM will perform additional evaluation as described in Section 5.3.

2.2.1.8 Wallace

Location and Description

(see insert A)
The Wallace facility currently consists of two buildings on Calle B within RIP. Wallace facility is bordered on the north, south, and east by other light industrial facilities within RIP and to the west by a topographically upgradient residential area. Wallace previously operated in another building (RIP Building No. S-1404-0-87) on Calle A, northwest of their current facility (see Figure 3, Appendix A-5). Wallace has also been associated with the former I/O Labs - International Silver Building, adjacent to the aforementioned facilities on Calle A (see Figure 3, Appendix A-5).

Portions of the facility are covered by asphalt and concrete. Runoff from the impervious areas and adjacent upgradient areas is believed to flow through the concrete spillway through the storm sewer/drainage network, eventually discharging to Rio Guanajibo. There are no monitoring wells or septic tanks/fields on the facility. One well exists at the current facility, which reportedly has not been used in many years. A connection is maintained at this well for fire suppression purposes; no analytical data exist. PREQB files indicate that the facility has two USTs listed as "permanently out-of-use." One tank contained diesel fuel; however, the database does not indicate the contents of the second tank.

Groundwater beneath the Wallace facility has been recorded in soil borings to be between 14 and 30 ft bgs. Boring logs depict sands with intermittent clay in the overburden. Bedrock was reportedly encountered based on refusal at approximately 30 ft bgs, yet the depth of the subsurface investigation may have been limited by the technology (track-mounted direct-push unit) employed.

Site History

Ownership and Operations

prior to 1972 (see insert B)
Operations have taken place at the current facility since 1973. According to Wallace WSPR personnel, the facility was previously used by another company for the manufacture of softballs. Of note, Wallace previously operated under the name of International Silver de PR, Inc.

approximately 59
Current operations at the facility, performed by 70 employees, include the casting and finishing of sterling silver table flatware. The silverware casting process involves melting sterling silver with copper, forming the alloy into sheets, cutting, coiling, stamping, vibratory polishing, and washing in TCE to remove oil and other surficial contaminants. (see insert C)

The facility employs an internal wastewater recycling system (installed around 1995), which includes a wastewater evaporator used to reclaim silver, and currently discharges only sanitary waste to the PRASA sewer system. Stormwater is discharged

under a National Pollutant Discharge Elimination System (NPDES) multi-sector permit with EPA. Wallace holds an air emissions permit (Permit No. PFE-LC-02-64-0496-0045-I-II-O-90-56-E223-MPP) for the evaporator, emergency generator, polishing rooms, and oxidation baths.

During ~~its~~ ^{the} operational history, ^{prior to WSPR} the facility has generated spent solvents including PCE, TCE, and 1,1,1-trichloroethane (1,1,1-TCA). Other wastes generated ^{at the facility} ~~by Wallace~~ include spent corrosive liquids including nitric and sulfuric acids, mercury-containing fluorescent light bulbs, used oil, a dry process sludge that is sent out for recycling, and sludge from a polishing process. Disposal of wastes is currently regulated under Wallace's RCRA Small Quantity Generator (SQG) permit (EPA ID No. PRD090405648). The interior of the facility building includes an acid storage area; dry sludge is staged inside a loading dock pending pick up and recycling.

Release History

^{WIPR} Prior to October 1995, ~~Wallace~~ ^{ISPR and WIAR} discharged ~~its~~ process wastewater to the PRASA sewer system. PRASA issued a Notice of Violation (NOV) and imposed a fine and surcharges on ~~Wallace~~ ^{WIPR} for exceeding its discharge limit of 0.05 milligrams per liter (mg/L) for silver in wastewater. ~~Wallace~~ ^{WIPR} disputed the fine amount, citing efforts and costs associated with upgrading its treatment systems, and subsequently installed its internal wastewater recycling system. In October 2000, ~~Wallace~~ ^{WIPR} and PRASA reached a settlement, whereby ~~Wallace~~ paid a fine and surcharges but made no admission of liability or violation of its discharge permit.

In August 2006, a drum containing polishing sludge and residuals and stored on the exterior of the facility was observed to be leaking. The impacted soil exhibited silver contamination; however, toxic characteristics leaching procedure analysis indicated concentrations of silver below the regulatory criterion. Caribe Hydroblasting Corporation Environmental Division, on behalf of ~~Wallace~~ ^{WSPR}, excavated, drummed, and transported the impacted soil to a sanitary landfill for disposal.

2006 SDI Reconnaissance

^{WSPR} On July 18, 2006, EPA and PREQB, conducted an on-site reconnaissance and inspection. Both the interior acid storage area and the dry sludge staging area inside the loading dock were observed to be in good condition. At the waste storage area in the rear exterior of the facility, drums of waste TCE and used oil were observed to be stored on asphalt and the ground surface without secondary containment. The asphalt was noted to be discontinuous and in poor condition, with cracks and areas of exposed soil. Several of the drums were rusted, with rain water accumulated on their tops; and one was observed to be bulging. Broken fluorescent light bulbs, a half-buried drum, and spilled oil (with absorbent spread on top) behind a concrete retaining wall were observed. ~~Wallace~~ later reported that sampling of the underlying soils deemed them non-hazardous. Overall housekeeping in the rear exterior was observed to be poor, with overturned empty plastic drums, miscellaneous scrap metal, and trash scattered throughout the area. An active drum storage area consisting of racks within a metal cage was observed to contain four drums of TCE, eight drums of fresh oil, and eight drums of used oil.

by prior operators

WSPR

~~Wallace~~ was recommended for further assessment based upon observations of poor condition of storage areas, ~~previous and current~~ use of chlorinated solvents, and proximity to the Retiro well. (see insert D)

2007 ESI

From January 22-24, 2007, EPA conducted an ESI sampling event. Surface soil, subsurface soil, and groundwater samples were collected from borings advanced via direct-push technology on the current Wallace facility, as well as on two other parcels (the Former I/O Labs parcel and the former ~~Wallace International~~ parcel depicted in Figures 2 and 3, Appendix A-5) previously occupied by Wallace. Sampling locations at the current facility were biased towards areas of concern (AOCs) identified during the July 2006 site reconnaissance. Background samples were collected from an adjacent, upgradient property and from the upgradient portion of one of the former Wallace facilities. Samples were analyzed for TCL VOCs and TAL metals (excluding cyanide) through the EPA CLP.

Analytical results from the 2007 ESI sampling event indicate the presence of VOCs including cis-1,2-DCE, PCE, and TCE in soil and groundwater beneath the current Wallace facility (most prevalent at the central portion of the facility, the drum storage area, and the empty drum area near Calle B) and beneath the formerly occupied parcels at concentrations significantly above background. Arsenic and silver were also detected at concentrations significantly above background in Wallace facility soils.

VOCs detected in soil (with maximum values detected in parentheses) included PCE (2,000 µg/kg adjacent to the active drum storage area), TCE (3,300 µg/kg at the central portion of the current facility), cis-1,2-DCE (5,000 µg/kg at the central portion of the current facility), and vinyl chloride (900 µg/kg at the central portion of the current facility). The maximum concentrations of VOCs detected in groundwater included PCE (19,000 µg/L), TCE (2,900 µg/L), cis-1,2-DCE (700 µg/L), and vinyl chloride (150 µg/L), all at the central portion of the current facility. Groundwater samples exhibited contaminant concentrations above background across the entire Wallace facility and at the formerly occupied properties.

RIP is located approximately ½-mile from the contaminated wells, and no groundwater samples have been collected between RIP and the contaminated wells. As a result, the ESI did not identify Wallace as a source of contamination at the site. However, the site has confirmed contamination similar to that in the supply wells and is a PSA at which CDM will perform additional investigation as described in Section 5.3.

2.2.1.9 Cordis/OMJ

Owned by PRIDCO, this eight-building facility is located on Route 362, north of Rio Guanajibo. OMJ uses Building 1 to manufacture a cream for diabetics. Cordis coats and crimps stents in six of the buildings and the two share a laboratory in Building 5.

Two hazardous waste storage facilities are situated along the northern border. During past inspections, the facility has been found to be in compliance with local and federal regulations. The facility holds permits for wastewater discharge (to PRASA), RCRA,

INSERT A:

References to Wallace or the Wallace facility generally refer to operations from 1972 to the present time. During this period, four operators have occupied and conducted manufacturing activities at the facility (see Site History below).

INSERT B:

The property is owned by PRIDCO. The occupancy/operational history since 1972 is as follows:

1) International Silver de P.R., Inc. (ISPR), (subsidiary of Insilco Corporation). From approximately 1972 to October 21, 1983, ISPR, as a subsidiary of Insilco, occupied and operated at the property.

2) Wallace International de P.R., Inc. (WIPR) (a Delaware corporation and subsidiary of Katy Industries, Inc.). From approximately October 21, 1983 to October 23, 1986, WIPR, as a subsidiary of Katy Industries, Inc., occupied and operated at the property. On October 23, 1986 the assets and stock of WIPR were sold to Syratech Corporation.

3) WIPR (a Delaware corporation and subsidiary of Syratech Corporation). From October 23, 1986 to April 27, 2006, WIPR, as a subsidiary of Syratech Corporation, occupied and operated at the property. On April 27, 2006 some of the assets of WIPR were sold to Wallace Silversmiths de Puerto Rico, Ltd.

4) Wallace Silversmiths de Puerto Rico, Ltd. (WSPR) (an exempted company incorporated in Cayman Islands and subsidiary of Lifetime Brand, Inc.). From April 27, 2006 to the present, WSPR has occupied and operated at the property. WSPR is not currently, nor has it ever been, affiliated with the prior occupant, WIPR.

INSERT C:

TCE use was discontinued by WSPR in 2008 and there is no information, record or evidence of any loss or discharge of TCE subsequent to April 27, 2006.

INSERT D:

Shortly after commencing operations on April 27, 2006, WSPR initiated significant changes in the plant and its operations in order to ensure good housekeeping practices throughout the plant, minimize the risk of any release of hazardous waste to the environment, ensure the proper handling, control, short-term storage and removal of hazardous wastes, evaluate and make hazardous waste determinations to support proper disposal, and to control, store and properly dispose of used petroleum products.

MUN. SAN GERMAN
BARRIO RETIRO

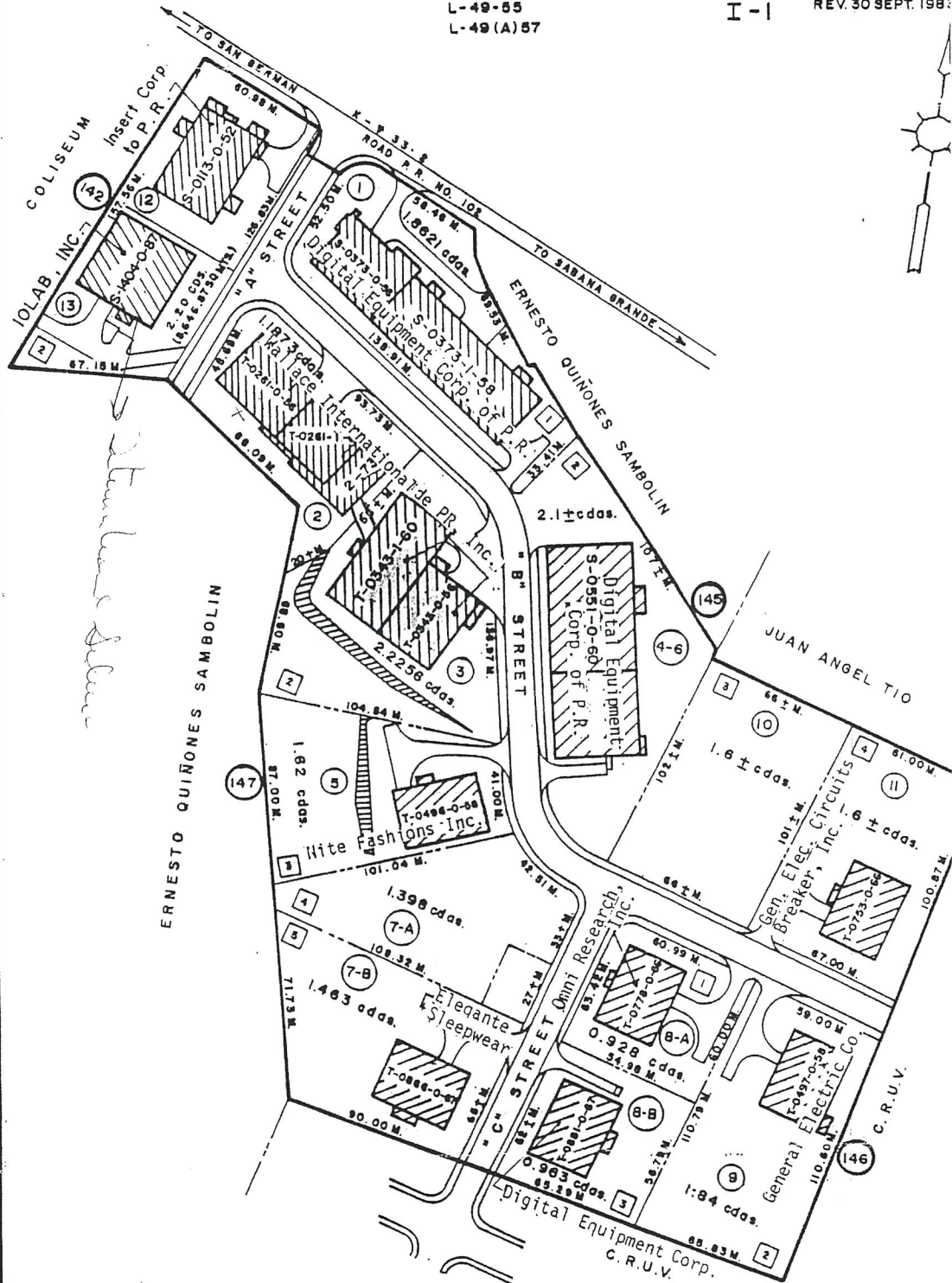
INDUSTRIAL SITE

REV. EMERO/1989
DATE 2-3-78

SITE PLAN

L-49-55
L-49(A)57

 PRIDCO PROPERTY
I-1 REV. 30 SEPT. 1983



DRAWN A. R. CUEVAS
CHECKED _____

NUM. DE CATASTRO				
MUNICIPIO	MAPA		MANZANA	PARCELA
	1:10,000	1:1,000		
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SCALE 1:2,000

MUN. SAN GERMAN
BARRIO RETIRO

INDUSTRIAL SITE

REV. 18 MAY. 84
DATE 4 JUNE '73

NUMBER
SN-3

